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| In the Matter of |) | |
| |) | Order No. DO4-44 |
| OHIC INSURANCE COMPANY, |) | |
| |) | CONSENT AND ORDER |
| An Authorized Insurer. |) | LEVYING A FINE |

FINDINGS OF FACT

- 1) OHIC's special liability report for 2002 was due on May 1, 2003. The company was contacted by this office June 4, 2003 to inquire into receipt of the report. A report was received June 20, 2003.
- 2) A review of the data contained in the report revealed it was incorrect. The company was contacted November 17, 2003, November 25, 2003, and December 2, 2003, to request an accurate report.
- 3) Later on December 2, 2003, a second special liability report was received. A review of the data contained in the second report revealed it to be inaccurate.
- 4) A third version of the special liability report was received December 3, 2003. It also contained inaccurate data.
- 5) At this point, it also became apparent that the data in Supplement A of Schedule T of the Annual Statement was also incorrect.
- 6) On December 4, 2003, and several days afterward contacts were made with the company. On December 16, 2003, 7 1/2 months late, a correct special liability report was received.

CONCLUSIONS OF LAW

- 1) Pursuant to RCW 48.05.380, each insurer authorized to write property and casualty insurance in the state of Washington shall record and report its Washington state loss and expense experience and other data, as required by RCW 48.05.390 on a form issued by the commissioner.

- 2) Both RCW 48.05.390 and WAC 284-07-010 require the report covering period ending December 31 be filed no later than May 1 of the following year.

CONSENT TO ORDER

NOW, THEREFORE, the company consents to the following in consideration of the desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of the company's payment of a fine and such other terms and conditions as are set for the below:

- 1) The company admits to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of this Order, and waives further administrative or judicial challenge to the OIC's action related to the subject matter of the Order;
- 2) Within thirty days of the entry of this Order the company agrees to pay to the OIC a fine in the amount of \$15,000 of which \$10,000 is suspended for a period of two years on condition that the company shall not violate the provisions of the Washington State Insurance Code or Washington Administrative Code which are the subject of this Order and on condition that the company carry out the provisions of, and fully comply with a Compliance Plan to be outlined by the company in its Formal Response.
- 3) Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of the company's certificate of authority and for the recovery of the full fine, including the suspended portion.

EXECUTED this 8th day of March, 2004.

OHIC INSURANCE COMPANY

By: _____

Title: _____

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. OHIC Insurance Company is ordered to pay a fine in the amount of \$15,000 with \$10,000 suspended upon the condition that the company fully comply with the laws and regulations of the State of Washington which are subject of this Order for the next two years and upon the condition that the company fully carry out its obligations under the Compliance Plan which will be outlined in its Formal Response.
2. The company's failure to pay the fine within the time limit set forth above shall result in the revocation of the insurer's certificate of authority, and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought in behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON this 11th day of March, 2004.

MIKE KREIDLER
Insurance Commissioner

By: _____
Mary M. Cotter
Staff Attorney
Legal Affairs